

STEPHEN W. ROBERTSON, as the Insurance
Commissioner of the Department of
Insurance of the State of Indiana,

Petitioner,

v.

MAXICARE INDIANA, INC.,

Respondent.

Class 1 Claims – Administrative costs and expenses necessary to close the Maxicare estate and to disburse all remaining assets, consistent with the Final Accounting/Petition, to be paid in full in accordance with Ind. Code 27-9-3-40.

Post Petition Continuation of Benefit Claims – Claims for health care services rendered to former Maxicare enrollees/subscribers during the period from May 4, 2001 (the date the Order of Rehabilitation was entered against Maxicare) to and including the earlier of: (i) the date at which a Maxicare enrollee/subscriber transferred his or her coverage to a replacement carrier; or (ii) July 3, 2001. In accordance with Ind. Code 27-13-18 and prior Orders issued by the Liquidation Court, all post petition Continuation of Benefit Claims have previously been adjudicated and paid. Because these Claims have already been satisfied, there will be no further payments on post-petition Continuation of Benefits as part of closing the Maxicare estate.

Pre-Petition Class 2 Claims – Claims for health care services rendered to former Maxicare enrollees/subscribers prior to May 4, 2001 (the date the Order of Rehabilitation was entered against Maxicare), which were valid obligations of Maxicare but which had not been paid by the company at the time the Order of Rehabilitation was entered. The Liquidator recommends, after payment of final Class 1 costs and expenses necessary to close the estate, that all remaining Maxicare assets be distributed to partially pay all pre-petition Class 2 Claims approved by the Court. Because Maxicare assets are not sufficient to pay all approved pre-petition Class 2 claims in full, the Liquidator recommends that payments be made on a pro-rata basis (consistent with Maxicare's final asset to liability ratio available for the payment of such Claims), so that all claimants receive the same percentage of payment on their approved pre-petition Class 2 Claims. This will result in the complete distribution of all remaining assets of the Maxicare estate, consistent with the priority of claims set forth in Ind. Code 27-9-3-40 and prior Orders as issued by the Liquidation Court. Claimants who have approved pre-petition Class 2 Claims will receive a separate letter from the Liquidator identifying the specific amount of their approved Claim. The amount set forth in the letter will not be the amount ultimately paid by the estate on that claim since, as noted above, the remaining assets in the Maxicare estate are not sufficient to pay the approved pre-petition Class 2 Claims in full. While the exact percentage of the partial payments that will ultimately be made on approved pre-petition Class 2 Claims will not be known until the hearing on the Final Accounting/Petition, the Liquidator currently anticipates that the final distribution percentage on all approved pre-petition Class 2 Claims will be approximately forty four percent (44%).

The Liquidation Court has scheduled a hearing to consider the Final Accounting/Petition to be held July 16, 2012, commencing at 9:30 a.m. The hearing will be held at the following location:

Marion Circuit Court
City-County Building
200 E. Washington Street, Room W-506
Indianapolis, IN 46204

At the hearing the Liquidation Court will consider the Final Accounting/Petition and the Liquidator's recommendations set forth therein, including but not limited to: (i) payment of the final Class 1 costs and expenses of administration necessary to close-out the Maxicare estate; (ii) distribution of all remaining assets of the Maxicare estate to partially pay, on a pro-rata basis, the pre-petition Class 2 Claims approved by the Liquidation Court; (iii) dissolution of the corporate existence of Maxicare; and (iv) release and discharge of the Liquidator and those operating under the direction and control of the Liquidator. The hearing may be continued from day to day until complete without further notice, except as may be announced at the hearing.

A copy of the Final Accounting/Petition as filed with the Liquidation Court (other than Exhibits C and D which were filed "Under Seal") has been posted on the Indiana Department of Insurance website – www.in.gov/idoi

You can also obtain a copy of the Final Accounting/Petition as filed with the Liquidation Court (other than Exhibits C and D which were filed "Under Seal"), by sending a written request to the Liquidator at the following address, along with fifteen dollars (\$15.00) to cover the Liquidator's cost of copying, handling and postage (make checks payable to "Maxicare Indiana, Inc., In Liquidation"):

Special Deputy Liquidator of Maxicare Indiana, Inc.
445 N. Pennsylvania Street, Suite 500
Indianapolis, IN 46204

If you wish to appear at the hearing and/or wish to object to the Final Accounting/Petition, any of the recommendations of the Liquidator contained therein or any other matter regarding the proposed Closing of the Maxicare estate, then you must send a written Notice of Intention to Appear or Object to the Liquidation Court (at the above referenced address for the Liquidation Court) and to the Liquidator's counsel (Donald J. Graham, Bingham Greenebaum Doll LLP, 2700 Market Tower, 10 West Market Street, Indianapolis, IN 46204) by no later than July 6, 2012. If you submit a Notice of Intention to Appear or Object, you must specifically identify and describe therein any and all objections which you intend to present to the Court, the basis of such objection(s) and any other matter which you wish to raise at the hearing.

BY ORDER OF THE LIQUIDATION COURT dated April 10, 2012.

Indiana Insurance Commissioner Stephen W.
Robertson, as Liquidator of Maxicare Indiana, Inc.